

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
(317) 232-9855

FISCAL IMPACT STATEMENT

LS 6221

BILL NUMBER: SB 521

DATE PREPARED: Jan 14, 2001

BILL AMENDED:

SUBJECT: Directing of Medicaid Patients to Certain Hospitals.

FISCAL ANALYST: Alan Gossard

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FUNDS AFFECTED: X GENERAL
DEDICATED
X FEDERAL

IMPACT: State

Summary of Legislation: This bill removes the December 31, 2000, expiration date of a provision that: (1) prohibits a Medicaid managed care contractor from providing incentives or mandates to primary medical providers to direct certain Medicaid recipients to contracted hospitals other than a hospital in a city where the recipient resides; and (2) requires certain Medicaid hospitals to comply with eligibility verification and medical management programs negotiated under the hospital's most recent contract or agreement with the Medicaid managed care contractor. (The introduced version of this bill was prepared by the Interim Study Committee on Medicaid Oversight.)

Effective Date: December 30, 2000 (retroactive).

Explanation of State Expenditures: This bill affects two hospitals in Lake County (Gary Methodist Hospital in Gary and St. Catherine's in East Chicago) and the Medicaid managed care organization (MCO) contracted to provide services in that county. The bill specifies a couple of operating procedures to be followed in lieu of a formal contractual agreement between the MCO and the hospitals. There should be no significant impact on the state Medicaid program due to this provision.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Office of Medicaid Policy and Planning.

Local Agencies Affected:

Information Sources: